

Tucson, Thursday, September 16, 1999

## Deal could swap water for lower CAP taxes

Wire and staff reports

The Central Arizona Project's operators want to give the federal government a portion of its water in exchange for a drop in taxpayer debt - and possibly an end to long-running water fights.

Pima, Maricopa and Pinal counties owe the federal government for construction of the 336-mile canal system that funnels Colorado River water to the desert. Property owners in those counties are repaying the debt through taxes.

But under a proposal announced yesterday, those taxes and water rates could be reduced, provided that farmers are willing to give up some of their water to help settle claims by Indian tribes.

For five years, the Central Arizona Water Conservation District, which manages distribution of CAP water to about 80 municipal, industrial, agricultural and Indian tribe customers in Southern Arizona, has been locked in a dispute with the federal government over how much of the construction costs it must repay.

The federal government said the CAP district owed \$2.3 billion when the project was completed in 1993, but the CAP district argued it owed \$1.78 billion.

Much of the dispute hinged on whether the CAP district was responsible for cost overruns the Bureau of Reclamation incurred during construction. Federal officials never asked Arizona officials whether they were willing to help, said Robert Barrett, CAP district spokesman.

To resolve the repayment argument and other

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## Water

Continued from Page 1B

smaller issues, CAP officials sued the federal government. In November, U.S. District Judge Earl Carroll sided with CAP officials on the debt. But other issues, such as how many related projects the CAP district must help pay for, remain tied up in court.

To resolve them, the CAP district proposed that taxpayers be forced to repay only \$1.65 billion. In exchange, up to 200,000 acre-feet of water a year would be given to federal officials to resolve separate water claims by Indian tribes. The 630,000 area residents Tucson Water serves wash through about 110,000 acre-feet a year.

The CAP district is currently entitled to 1.5 million acre-feet of Colorado River water a year. An acre-foot is 325,851 gallons - the equivalent of covering 1 acre in water 1 foot deep.

Tucson's current share is 138,920 acre feet a year.

The largest of the tribal water claims involves the Gila River Indian Community, which says it should receive water now captured by dams up stream.

A smaller claim involves the Tohono O'odham tribe, which sued Tucson, area mines and other water users in 1975, charging that ground water pumping near the reservation caused water levels under tribal land to drop.

A settlement was reached in 1982 to provide the tribe with CAP water by 1992. But new issues arose and the tribe has yet to receive any water.

In another lawsuit against Tucson, 157 tribal landowners at San Xavier maintain the 1982 settlement failed to recognize their water rights. Both suits are pending in U.S. District Court.

Rita Pearson, director of the Arizona Department of Water Resources, said officials believe the 200,000 acre-feet could settle the tribal claims.

## IF YOU GO

Concerns about the environmental effects of proposed changes in CAP water allocation may be aired at a public hearing today.

The federal Bureau of Reclamation is holding a meeting from 1 p.m. to 3:30 p.m., in the Tucson Convention Center's Maricopa-Mojave room, 260 S. Church.

The National Environmental Policy Act of 1969 requires the agency to prepare a study detailing environmental impacts of proposed changes in existing allocations of CAP water.

The water allocation would be a combination of farm water and water that is currently not allotted for any use, she said.

Two-thirds of the pool would come from irrigation districts, primarily in Pinal County. The state is proposing that the districts be compensated for their rights and that any extra available water be sold to affected farmers at a discount.

Dave Iwanski, executive vice president of the Agri-Business Council of Arizona, said the irrigation districts he represents are willing to give up some water rights but want to be sure that they will be compensated.

If an agreement can be reached, the larger debt repayment could mean savings for taxpayers.

What those savings would amount to and how taxpayers would see them are details that haven't been resolved. But reaching an agreement would give the CAP district a clear idea what it must pay and allow it to plan.

Property owners now pay roughly 10 cents per \$100 of assessed values toward the CAP debt or \$10 a year for a \$100,000 house.

The proposed deal needs approval from the Central Arizona Conservation District's board - 15 elected members from Maricopa, Pima and Pinal counties - as well as two federal agencies and a federal judge.

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*THE ARIZONA REPUBLIC*

September 20, 1999

**FEDS ALL WET ON THIS ISSUE****U.S. HAS NO RIGHT TO CLAIM ARIZONA'S SURPLUS WATER**

Section: Opinions

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Article Type: EDITORIAL: OUR VIEW

Article Text:

Picture the federal government with its big paws wrapped around a straw, sucking more and more water out of the Colorado River. Think of it as Arizona's water. Our entitlement. Our lifeblood, granted to us by congressional action, interstate compacts and U.S. Supreme Court decisions.

It seems to be a point lost upon the U.S. Department of Interior and Secretary Bruce Babbitt, a former Arizona governor.

Interior is suggesting a water grab that would jeopardize years of ongoing and delicate negotiations between various parties, including Arizona, the federal government and Indian tribes. At stake is 47 percent of the unused Central Arizona Project water that Arizona now banks in underground aquifers or is sold on a spot basis.

The amount of water varies from year to year, but typically the total is 500,000 acre-feet, and the **feds** want nearly half for reasons they don't say. That's over and above the 200,000 acre-foot pool of additional CAP water that is on the table to settle Indian water claims. One acre-foot is about 326,000 gallons, or enough water to meet the needs of a family of five for a year.

This is a critical **issue** for Arizona, says Rita Pearson, director of the Arizona Department of Water Resources. "If the secretary pursues it, Indian settlement discussions would be derailed," she notes. It's a view shared by a multitude of water users -- Valley cities, irrigation districts, the Central Arizona Water Conservation District board and others.

Taking this water away would put Arizona's cities in peril. Surplus CAP water is used to reduce the risk of drought, and the **feds** should not be going down this path.

For their part, federal officials say only that they want access to the water pool, to bid on amounts in the marketplace like everybody else. Not to allow the government this opportunity, they say, would be discriminatory.

If this is their game -- to be treated like everybody else and not establishing a preferential right -- the **feds** certainly aren't communicating well.

To put this latest ploy in context, some background is in order.

Arizona has been working hard on settlements over two daunting problems at once: The amount of money it must reimburse for building the CAP and the historical and legitimate claims of Indian tribes.

There have been two tracks. Reimbursement is a matter in federal court, and decisions so far have sided with Arizona's contention that it owes less than the **feds** demand. Meanwhile, teams of negotiators have been trying to close the books on Indian water claims.

On both fronts significant progress has been made. That's the good news. Last week, the Central Arizona Water Conservation District released a proposed agreement to end the reimbursement litigation, pegging Arizona's reimbursable cost at \$1.65 billion, far less than the \$2.33 billion sought by the **feds**.

The district also said it was willing to hand over an additional 200,000 acre-feet of CAP water to help settle Indian claims. Not coincidentally, this is the amount that negotiators in the Indian claims talks have cited as crucial.

Regrettably, Potomac greed seems to have surfaced just when it looked like the final pieces were falling into place.

The **feds** always have linked the two issues, whereas state water interests have not. The core **issue** for Arizona has been whether the state will have exclusive control over its entitlement of 2.8 million acre-feet of Colorado River water annually. That's important because once the pending deals are wrapped up, Arizona must have iron-clad assurances that the **feds** won't come back demanding more CAP water. Certainty about supply gives Arizona the stability that it covets.

Arizona is entitled to all unused CAP water, according to terms of the master repayment contract. Pearson says the **feds'** new demand, delivered by David Hayes, Babbitt's deputy and chief negotiator, "clouds the title of that water." She says Hayes has been vague about anticipated uses, but it could be left in the Colorado River and used for in-stream habitat restoration or assist California with its water woes.

Financing a project ought not to be confused with ownership of the water. Picking up 47 percent of the construction tab, as the **feds** are, doesn't entitle them to a proportionate amount of surplus CAP water. It just doesn't wash. No other Western water project is structured like that.

Arizona and its water users have worked tirelessly on these complex and important issues. Hayes has told Pearson that from the federal point of view, the surplus water **issue** is "a deal breaker."

He's right. From Arizona's perspective it most certainly will be. As is, the federal position is unjustified, and Babbitt ought to take it off the table.

Graphic:  
Chart

Caption:  
Web Links

For more information, visit these Web sites:

\* Central Arizona Project

[www.cap-az.com](http://www.cap-az.com)

\* Arizona Department of Water Resources

[www.adwr.state.az.us](http://www.adwr.state.az.us)

\* U.S. Department of Interior

[www.doi.gov](http://www.doi.gov)

\* U.S. Bureau of Reclamation

[www.usbr.gov](http://www.usbr.gov)

Visit the Opinions section online at [www.azcentral.com/opinions](http://www.azcentral.com/opinions) for this editorial and others, as well links to the above sites.

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# Rift in CAP claims debate broadens

Feds up ante, demand piece of excess water

BY GUY WEBSTER  
THE TRIBUNE

New conditions sought by the U.S. Department of Interior have set back chances for a comprehensive settlement of major Arizona water issues, state and city officials said Thursday.

Negotiations had been closing in on an agreement for reallocating water from the Central Arizona Project, but Interior has demand water to meet federal uses other than satisfying Indian tribes' claims, said Rita Pearson, director of the Arizona Department of Water Resources.

The most likely use for that water would be in environmental protection projects, such as sustaining riverbed habitats. Any water for specific environmental projects should come from agreements among water users, not from a federal water grab, Pearson said.

"I don't understand how a federal administration that's running out of time and losing a lawsuit ups the ante at the last minute. They've done it in a way that's a show stopper," said Bob Lynch, chairman of the CAP Association, a support group for the project.

The Central Arizona Water Conservation District, which operates the CAP, held a hearing Thursday for public comment on a proposed settlement of a federal lawsuit. The suit involves how much the taxpayers and water users in the three-county district must pay the federal government for the CAP.

CAP is a 336-mile-long aqueduct and pumping system delivering Colorado River water to Maricopa, Pinal and Pima counties.

The allocation talks seek a way that will settle large water-rights claims of Indian tribes, especially the Gila River Indian Community and Tohono O'odham Nation.

## Highlights

Highlights of the proposed settlement between the Central Arizona Water Conservation District and U.S. Department of Interior:

■ The conservation district, which includes all of Maricopa, Pinal and Pima counties, will repay the federal government \$1.65 billion for building the Central Arizona Project, not \$2.32 billion sought by the government.

■ CAP water for Indian tribes will be delivered at a discounted price, in exchange for an additional \$300 million reduction in the repayment debt.

■ The conservation district will have the right to sell any excess CAP water not taken by contracted water users.

■ The financial settlement is contingent on successful completion within one year of agreements to settle water claims of the Gila River Indian Community and Tohono O'odham Nation.

The additional water that the Interior Department now eyes is "excess" CAP water, such as water contracted to Indian tribes that they can't use yet for lack of adequate irrigation systems.

The state and cities fear setting a precedent for federal use of CAP water other than for Indian settlements.

Mesa assistant utilities manager Karl Kohlhoff said settling the Gila River Indian Community's claims is crucial for taking a major uncertainty out of Valley cities' plans for future water supplies.

But he said the allocation talks now seem unlikely to produce a settlement during the Clinton Administration.

"I'd be happy if I'm wrong, but I just don't think it's possible," Kohlhoff said.

Bill Angier, a water attorney representing Scottsdale, Chandler and some other Valley cities, said "we're a long way" from a settlement with Interior.

# CAP talks hit rough water

By GUY WEBSTER  
DAILY NEWS-SUN

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# Rift widens to resolve CAP claims

## Feds up ante, demand piece of excess water

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Many commented at the hearing on water-allocation issues.

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## FROM THE DIRECTOR'S DESK

## CAP deal may seem like good idea, except for ag



By SHELTON R. JONES  
*Arizona Agriculture Department Director*

There is hardly a more valuable commodity in the Southwest. Men have fought over it and companies have gone broke without it. Water in Arizona is literally as valuable as liquid gold.

Last month, public hearings revealed that a deal was being proposed by the Central Arizona Water Conservation District to reallocate 200,000 acre-feet of Arizona's Central Arizona Project water to several of the state's Indian tribes. In return, Arizona would save \$700 million in what it owes for construction of the 136-mile canal.

While Arizona gets a break on what it owes and long-standing water rights claims by Indian tribes can be settled, non-Indian agriculture may be adversely impacted.

Each year, Arizona receives 1.5 million-acre feet of water from CAP. Arizona's agricultural industries and irrigation districts have invested heavily, in most cases incurring a large amount of debt, in building the infrastructure necessary to receive CAP water.

The reality for today's Arizona farmer and rancher is this: Increase the cost of production inputs such as water and they lose the ability to deliver to market a competitively priced product.

Arizona is facing a serious population crunch. Maricopa County has the fastest growing population in the United States. Meanwhile, areas such

as Sierra Vista and Flagstaff are growing at a rate that could outstrip their groundwater availability. Prescott, Payson and other rural areas have faced the same challenges for several years.

As the urban boundaries have spread, Arizona agriculture has simply moved to more rural areas. Arizona agriculture today is about products (not just commodities), innovation, niche production, vertical marketing alliances and conservation.

In 1997, the state's agricultural industries, not counting the Arizona nursery and greenhouse industries, earned nearly \$2.2 billion in cash receipts. The ultimate economic impact for Arizona's rural communities, from fuel and farm equipment sales to fast food restaurant purchases, is much greater.

A 1993 University of Arizona College of Agriculture study estimated the total agribusiness impact on Arizona's economy to be more than \$6.3 billion, approximately the equivalent of the state's tourism industry.

Reallocating 200,000 acre-feet a year of Arizona's CAP allotment, most of which is targeted for agricultural uses in Pinal and Pima counties, would have long-term ramifications for Arizona agriculture.

Given the economic importance of agribusiness to the state, it is critical that agricultural concerns be addressed before any final agreement is implemented.



**NewsBank InfoWeb**  
**The Arizona Republic**

*THE ARIZONA REPUBLIC*

October 8, 1999

**PACT APPROVED TO CUT FEDERAL CAP BILL  
BOARD'S DEAL ALSO WOULD GIVE MORE WATER TO INDIANS**

Author: Shaun McKinnon, The Arizona Republic

Section: Valley And State

Edition: Final Chaser

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Article Text:

A plan to reduce Arizona's bill for the \$4.7 billion Central Arizona Project Canal in exchange for water to help federal officials settle Indian water disputes won easy approval Thursday from the CAP governing board.

Under the proposal, which would end Arizona's 5-year-old lawsuit against the federal government, the state would repay the U.S. Bureau of Reclamation \$1.65 billion for building the canal, about \$700 million less than the bureau wanted.

And Arizona would give the federal government nearly half the Colorado River water delivered by the canal; enough, state officials hope, to satisfy ancestral claims by the Gila River Indian Community, the Tohono O'odham Nation and other tribes.

The Central Arizona Water Conservation District, run by 15 elected Arizonans, voted to approve the deal, 13-1. The district now will file the proposal with a federal judge in Phoenix, where the lawsuit is pending. Some response is then anticipated from the federal government, which still opposes some details, including a limit on the amount of water available to the federal government.

Mark Lewis of Maricopa County opposed the deal, and several other board members voiced concerns.

"I consider this a weasel trap," said Jim Hartdegen, Pinal County's representative. "We're putting our chips on the table so we can see the feds' hand and then see how fast they can weasel out of it."

The proposal would settle the issue of how much Arizona owes the federal government for building the CAP Canal. Federal officials wanted Arizona to repay \$2.33 billion of the \$4.7 billion cost. Arizona sued over the amount, claiming the state should not be responsible for federal cost overruns. A federal judge has already ruled that Arizona shouldn't have to pay more than \$1.78 billion.

The proposed settlement could turn into a windfall for taxpayers in the three counties served by the CAP. Currently, property owners in those counties pay 10 cents per \$100 valuation for CAP repayment costs.

Although the proposed agreement does not directly address Indian water claims, one key condition is settlement of the disputes. To help that process, the CAP would support giving federal officials an additional 200,000 acre-feet a year of water. An acre-foot is about 326,000 gallons.

Indian tribes and the federal government now control more than 400,000 acre-feet.

Graphic:

Color map by The Arizona Republic (see microfilm)

Caption:

CAP canal and pumping plants in Arizona

Memo: Shaun McKinnon can be reached at (602) 444-7116 or at [shaun.mckinnon@pni.com](mailto:shaun.mckinnon@pni.com).

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The Arizona Republic**

*THE ARIZONA REPUBLIC*

October 11, 1999

**STRUGGLE FOR CONTROL OF WATER  
PACT COULD GIVE TRIBES HALF OF COLORADO RIVER RESOURCE**

Author: Shaun McKinnon, The Arizona Republic

Section: Front  
Edition: Final Chaser  
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Article Text:

If water is power - and in the arid West, water is everything - the balance of power in Arizona is about to shift.

State and federal negotiators are working on an agreement that could leave 10 Indian tribes in control of nearly half the Colorado River water that flows through the Central Arizona Project Canal.

It's enough water to serve an urban population of more than 3 million, and someday it just might.

The Clinton administration is determined to see that the tribes get water. Interior Secretary Bruce Babbitt has made it clear that he will use his authority to take the water from the state if talks fail. State officials believe some sort of agreement is in everyone's best interest.

The tribes, which want the water to settle decades-old claims against the federal government, likely would lease some of their bounty back to farmers, who stand to lose the most in the deal, or to cities thirsty to accommodate new growth.

What worries some CAP users is the prospect of an open water market that could someday force farmers to compete with cities, or even pit Arizona against neighboring states.

"What we're doing here long-term is drying up Pinal County," Eloy farmer Norm Pretzer warned state officials. "It's going to be pumped dry, and that's going to be it for us. That's going to be one hell of a drive to Tucson."

Indian water claims against the federal government have bubbled beneath the surface for years with only scattered success.

**BABBITT PUSHES ISSUE**

The issue took on a new urgency recently. Babbitt, a former Arizona governor, began pushing for a final agreement. And Arizona officials formally linked the tribal claims to a plan that would end a long-standing dispute over financing the \$4.7 billion Central Arizona Project.

The 336-mile canal each year carries 1.5 million acre-feet of Colorado River water, potentially enough for more than 7 million urban residents, to Maricopa, Pinal and Pima counties. It supplies ever-greater portions of the drinking water used by the rapidly growing populations in Phoenix and Tucson.

**UNRESOLVED ISSUES**

Tribal water rights are part of three unresolved issues involving the project:

/ How should as yet unused and excess portions of the CAP water be divided, and who should control those amounts?

/ How much CAP water should be used to help the federal government settle ancestral water claims among the state's Indian

tribes?

How much of the CAP's cost should Arizona repay to the federal government? The state sued the U.S. Bureau of Reclamation to avoid paying what it claimed were cost overruns. A judge sided with the state on key issues, and Arizona last month proposed its repayment settlement.

Federal officials have long sought to connect all three questions. The state has objected, saying that the issues are separate. But in its proposal to settle the CAP repayment costs, the Central Arizona Water Conservation District, run by 15 elected Arizonans, included a resolution that could help settle the Indian claims.

Rita Pearson, director of the Arizona Department of Water Resources, said linking all the CAP disputes may ultimately speed final agreements, though she cautioned against piling on too much at once.

"What we've got is a delicate balance," she said. "The momentum of tying these things together is bringing momentum for closure on all three. But on the other hand, too many issues can weigh it down. It's like riding a bicycle downhill. More weight will make it go faster, but too much and you crash and burn."

#### 'FAIR AND REASONABLE'

Although more than a half-dozen Arizona tribes are pursuing water claims, the most critical negotiations surround the Gila River Indian Community, which already controls the biggest share of CAP water among the state's tribes.

Gila River spokesman Gary Bohnce said the community is seeking only a fair and reasonable settlement, one that addresses the tribe's ancestral claims. He said tribal officials are pleased that the negotiations seem to be moving forward again.

But Cecil Antone, the tribe's lieutenant governor, leaves no room for confusion about what will happen if those talks fail.

"The community will have to continue litigation that we anticipate may last many more decades and continue to cost all parties literally tens or hundreds of millions of dollars," Antone said.

State and federal officials are close to a deal that would give the Gila River Community nearly 150,000 acre-feet of additional CAP water. On paper, the two sides are about 5,000 acre-feet apart, but it's not as simple as meeting halfway. An acre-foot equals 326,000 gallons.

#### STATE SEEKS CEILING

Arizona wants to set a ceiling on how much CAP water the federal government can take for tribal claims. Federal negotiators don't want their hands tied. Arizona farmers want to be compensated for the water they will give up to settle the claim. Federal officials are not eager to wade into non-federal water use.

Many CAP users also want restrictions that say no water given up by the state in any of the negotiations can be sold or leased beyond Arizona's borders. Some fear the large pools of unused water could find its way into negotiations with water-starved California and Nevada.

"That should be absolute, in indelible ink," said George Campbell, a member of the CAP board of directors. "We have to say there is not and will not be any condition that would allow water to leave the state of Arizona."

No Arizona tribal official has publicly suggested marketing the water out of state, but the issue festers elsewhere. Just across the Colorado River in California, the Chemehuevi Tribe has tried to lease some of its unused water to needy urban users in Los Angeles and San Diego.

#### LOT AT STAKE FOR TRIBES

Matthew Leivas, the tribe's former chairman, said leasing the water would infuse badly needed cash into the tribe's agricultural program and could help tribal members become more self-sufficient.

"The tribes have a lot at stake," Leivas said. "I think it's time we came together. People have to show more respect for the river. We need to protect it, but we need to get our fair share, too."

Behind most of the uneasiness in Arizona is a giant pool of water, which in the West might as well be another Comstock

Lode. If all the settlements now on the table are approved, 10 tribes will share control of more than 600,000 acre-feet.

To put that in perspective, Nevada's entire share of the Colorado is 300,000 acre-feet, an allotment that serves an urban valley of about 1.3 million people surrounding Las Vegas. All 10 tribes combined number barely 100,000 people.

Pearson said it's important to remember that many of the tribes need water for farming operations, which consume more water than urban use. The Gila River Community produces cotton, wheat, alfalfa, barley and other crops on about 12,000 acres.

Agriculture, in fact, is the very reason the tribes have claimed so much water. A 1908 U.S. Supreme Court decision awarded tribes enough water to meet the purpose of the reservation. For many of the Arizona tribes, that purpose is agriculture.

#### FARMERS PAYING PRICE

But non-Indian farmers say they're the ones paying the highest price. Under Babbitt's proposed settlement, as much as 200,000 acre-feet now set aside for agricultural use would be taken to settle the tribal claims.

David Iwanski, executive vice president of the Arizona Agri-Business Council, said farmers understand they were never to have a permanent share of CAP water. But they aren't prepared to give up what they have without compensation, whether it's money or an assured water supply for at least 30 years.

"Agriculture continues to be the largest user of CAP water," Iwanski said. "We need to respect the fact that debt was incurred by the farmers and the irrigation districts, and they need that water to repay that debt. It will take some time before Indian communities have the infrastructure in place to use their share."

Paul Orme, an attorney representing the Central Arizona Irrigation and Drainage District, said the settlement as proposed would hit not only farmers, but in Pinal County, it would end growth.

"There is no question this settlement is being made on the backs of the people who use water in Pinal County," he said. "Our growth has to be protected. We need some assurance for future water."

#### URBAN AREAS AFFECTED

Maricopa County cities also are concerned about the effect of the deal on growth, though many are already talking to tribes about leasing water. Scottsdale, Peoria, Goodyear, Mesa and other communities need more CAP water if they are to grow.

Karl Kohlhoff, assistant utilities manager for Mesa, said the outcome of the tribal settlements are important to help preserve an assured water supply for cities.

"This Arizona water needs to be used in Arizona for Arizonans," Kohlhoff said. If current talks fail, he added, "the losers will be the tribes and everyone in Arizona."

State negotiators want to keep the talks on track if only to avoid something much worse. In laying out his latest proposal, Babbitt also spelled out the alternatives. Without a negotiated agreement, the Interior secretary indicated he is prepared to take whatever water he thinks necessary. That includes nearly 66,000 acre-feet of still unallocated municipal water that has become a holy grail for Arizona water officials.

David Hayes, Babbitt's chief deputy and lead water negotiator, said the secretary isn't trying to use the other proposals as a club against Arizona, but he wants everyone to understand that settling tribal claims is a priority.

"Our goal is to have a mutually agreeable settlement," Hayes said. By negotiating, he said, the state not only creates a future water source, it avoids a costly and drawn-out court battle that the tribes could well win.

Graphic:

Chart

Color photo by Suzanne Starr/The Arizona Republic

Color charts (2) by The Arizona Republic (see microfilm)

Caption:

## AT A GLANCE

Water for Arizona

Indian tribes

Tribes with Central Arizona Project allocations and water rights settlements:

- \* Ak Chin
- \* Fort McDowell
- \* Salt River-Pima Maricopa
- \* Yavapai-Prescott

Tribes with CAP allocations and partial settlements:

- \* San Carlos Apache Tribe
- \* Tohono O'Odham

Tribes with CAP allocations and no final settlements:

- \* Gila River Indian Community
- \* Pascua Yaqui
- \* Tonto Apache
- \* Yavapai Apache

Tribes with water rights but no CAP allocations:

- \* Cocopah
- \* Colorado River Indian Tribes
- \* Fort Mohave Indian Tribe
- \* Fort Yuma-Quechan

Tribes without adjudicated rights, settlements or CAP allocations:

- \* Havasupai
- \* Hopi
- \* Hualapai
- \* Kaibab-Paiute
- \* Navajo
- \* San Juan Southern Paiute
- \* White Mountain Apache
- \* Zuni Pueblo

Source: Arizona Department of Water Resources.

1) The Gila River Indian Community, which already controls the biggest share of CAP water among the state's tribes, is seeking only a fair settlement of ancestral claims, a Gila River spokesman says.

2) The Gila River Indian Community uses a great part of its share of water for its farming operations. Sacaton Ranch Manager Everett P. Stone Sr. watches Lance Williams install an irrigation portal to a field.

- 1) Arizona's tribes get more water
- 2) Indian water

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# Arizona water project settlement not close

Associated Press

PHOENIX — Don't hold your breath waiting for settlement of the high-stakes lawsuit between the state and the federal government over Central Arizona Project money and water issues, lawyers for the two sides told a judge Tuesday.

Progress has been made in negotiations. But so far all there is to show for it is a settlement offer from one side and number of unresolved issues, the lawyers said during a U.S. District Court hearing before Judge Earl Carroll.

While the board that oversees the CAP hopes to hold a December formal vote on a final settlement, "I'm afraid that that date may be overly optimistic," said Stuart Somach, a lawyer representing the Central Arizona Water Conservation District.

The state and federal officials have been locked in a long-running dispute over how much taxpayers are obligated to repay for the CAP, a canal system that channels Colorado River water to central and southern Arizona. The dispute has been complicated by water claims from American Indian tribes.

John Stemplewicz, a U.S. Justice Department attorney representing the Interior Department, said a settlement is within reach if pending issues on water allocation and electricity revenue can

be negotiated successfully.

"We will have quite a ways to go until they are resolved," he said.

Tuesday's hearing was held 12 days after the CAWCD board approved a "framework" for a proposed settlement. Terms would include shaving Arizona taxpayers' debt for CAP construction costs by nearly \$700 million in exchange for giving up 200,000 acre-feet of CAP water to the federal government to use to settle Indian tribes' water-rights lawsuits.

"That wasn't an agreement that they voted on," Stemplewicz said after the hearing. "It was an agreement to make an offer."

The settlement proposal has been criticized by some Pinal County residents as jeopardizing the future of agriculture with its surrender of permanent rights to the 200,000 acre feet now allocated but unused by farmers because of its price. Backers of the proposal contend that other provisions would give farmers a decades-long temporary right to CAP water at prices they can afford.

Contrary to Carroll's desire to keep the negotiations "in the courtroom," Stemplewicz said some parties in the case apparently are trying to stir up a public sensation that could ultimately make it harder to negotiate a settlement, he said during the hearing.

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*THE ARIZONA REPUBLIC*

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**GLOBE, SAN CARLOS APACHES STRIKE DEAL TO SETTLE WATER-RIGHTS  
DISPUTE  
TO SWAP CAP SUPPLY FOR GROUND ALLOTMENT**

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Adding another key piece to Arizona's water picture, Globe and the San Carlos Apache Tribe have settled a long-simmering water-rights dispute, state officials said Tuesday.

Under the deal, Globe will give the tribe the city's 3,500 acre-foot share of Central Arizona Project water in exchange for the right to pump up to 2,500 acre-feet a year of groundwater from Cutter Basin, along the San Carlos Reservation border in Gila County.

The city also will earn first dibs on about 1,000 acre-feet of CAP water should the tribe decide to sell or lease it. An acre-foot is about 326,000 gallons, enough to serve an urban family of five for a year.

In a joint statement, Velasquez W. Sneezy, vice chairman of the San Carlos Tribe, and Globe Mayor David Franquero, said the agreement "marks the dawn of an era of good feeling between the city and the tribe."

They credited Gov. Jane Hull with shepherding the negotiations after the two sides hit a snag earlier this year.

The San Carlos-Globe deal is part of a larger Indian water-rights settlement process that involves the San Carlos Apaches, seven cities, the Salt River Project, the Roosevelt Water Conservation District and the Central Arizona Water Conservation District.

Interior Secretary Bruce Babbitt announced a partial agreement in late March, but some elements, including the dispute with Globe, remained unsettled.

Negotiators still must reach terms with the Central Arizona Water Conservation District, which manages the CAP canal. The district wants the cost of delivering water in the San Carlos settlement deducted from what the state owes the federal government for building the 336-mile CAP canal, which carries Colorado River water to Phoenix and Tucson.

When the agreement is final, the 12,000-member San Carlos tribe will hold the rights to more than 71,000 acre-feet of water from various sources, enough to serve a population of 355,000. Tribal officials have already discussed leasing some of the water to Scottsdale and other thirsty cities.

The tribe will also gain access to a \$50 million development fund that could help pay for several environmental restoration projects.

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